

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

1

QUARTERLY FINANCIAL REPORTING FORM

Submitted on 5/19/2004 3:17:05 PM

		1
1.	FOR THE QUARTER ENDING:	March 31, 2004
2.	Name:	UNIVERSAL CARE
3.	File Number:(Enter last three digits) 933-0	209
4.	Date Incorporated or Organized:	April 18, 1983
5.	Date Licensed as a HCSP:	October 15, 1985
6.	Date Federally Qualified as a HCSP:	
7.	Date Commenced Operation:	November 1, 1985
8.	Mailing Address:	1600 EAST HILL STREET, SIGNAL HILL, CA. 90806
9.	Address of Main Administrative Office:	1600 EAST HILL STREET, SIGNAL HILL, CA. 90806
10.	Telephone Number:	(562) 424-6200
11.	HCSP's ID Number:	33-0012358
12.	Principal Location of Books and Records:	1600 EAST HILL STREET, SIGNAL HILL, CA. 90806
13.	Plan Contact Person and Phone Number:	JEFFREY V. DAVIS (562) 981-4059
14.	Financial Reporting Contact Person and Phone Number:	JEFFREY V. DAVIS (562) 981-4059
15.	President:*	HOWARD E. DAVIS
16.	Secretary:*	JEFFREY V. DAVIS
17.	Chief Financial Officer:*	JEFFREY V. DAVIS
18.	Other Officers:*	JAY B. DAVIS, EXECUTIVE VICE PRESIDENT
19.		
20.		
21.		
22.	Directors:*	HOWARD E. DAVIS
23.		JEFFREY V. DAVIS
24.		JAY B. DAVIS
25.		JOHN ADAMS
26.		STEPHAN BASS
27.		MARC DAVIS #
28.		FRAZIER MOORE
29.		
30.		
31.		

The officers listed on lines 15 through 17 of the health care service plan noted on line 2, being duly sworn, each for himself or herself, deposes and says that they are the officers of the said health care service plan, and that, for the reporting period stated above, all of the herein assets were the absolute property of the said health care service plan, free and clear from any liens or claims thereon, except as herein stated, and that these financial statements, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said health care service plan as of the reporting period stated above, and of its income and deductions therefrom for the period reported, according to the best of their information, knowledge and belief, respectively.

32. President	HOWARD E. DAVIS (please type for valid signature)
33. Secretary	JEFFREY V. DAVIS (please type for valid signature)
34. Chief Financial Officer	JEFFREY V. DAVIS (please type for valid signature)
* Show full name (initials not accepted) and indicate by sign (#) those officers and directors who did not occupy the indicated position in the previous statement.	
35. Check if this is a revised filing, and complete question 7 on page 2:	<input type="checkbox"/>
36. If all dollar amounts are reported in thousands (000), check here:	<input type="checkbox"/>

Check My Work.

STATE OF CALIFORNIA
DEPARTMENT OF MANAGED HEALTH CARE
HEALTH CARE SERVICE PLAN

QUARTERLY FINANCIAL REPORTING FORM

SUPPLEMENTAL INFORMATION

		1
1.	Are footnote disclosures attached with this filing?	Yes <input type="button" value="▼"/>
2.	Is the attached reporting form filed on a consolidated or combined basis? If "Yes", the plan is required to file consolidating or combining schedules.	No <input type="button" value="▼"/>
3.	Is the plan required to file additional information (i.e. parent/affiliate financial statements, claims reports, etc.) that is required by the Department?	No <input type="button" value="▼"/>
4.	Have the Restricted Assets changed from the previous quarterly filing? If "yes", complete Schedule A-2 (Restricted Assets).	No <input type="button" value="▼"/>
5.	Are there any significant changes reported on Schedule G, Section III?	No <input type="button" value="▼"/>
6.	If "yes", describe:	
7.	If this is a revised reporting form, what is/are the reason(s) for the revision?	1.To add back Subordinated interest payable to Net Equity.

STATEMENT AS OF 3-31-2004 OF 933-0209 UNIVERSAL CARE

REPORT #1 ---- PART A: ASSETS

1	2
CURRENT ASSETS:	Current Period
1. Cash and Cash Equivalents	28,826,289
2. Short-Term Investments	
3. Premiums Receivable - Net	20,871,035
4. Interest Receivable	128,488
5. Shared Risk Receivables - Net	0
6. Other Health Care Receivables - Net	5,766,360
7. Prepaid Expenses	1,920,723
8. Secured Affiliate Receivables - Current	0
9. Unsecured Affiliate Receivables - Current	32,611
10. Aggregate Write-Ins for Current Assets	3,868,059
11. TOTAL CURRENT ASSETS (Items 1 to 10)	61,413,565
OTHER ASSETS:	
12. Restricted Assets	507,368
13. Long-Term Investments	0
14. Intangible Assets and Goodwill - Net	4,596,493
15. Secured Affiliate Receivables - Long-Term	3,749,170
16. Unsecured Affiliate Receivables - Past Due	0
17. Aggregate Write-Ins for Other Assets	1,606,115
18. TOTAL OTHER ASSETS (Items 12 to 17)	10,459,146
PROPERTY AND EQUIPMENT	
19. Land, Building and Improvements	14,731,896
20. Furniture and Equipment - Net	872,551
21. Computer Equipment - Net	1,533,271
22. Leasehold Improvements -Net	807,400
23. Construction in Progress	0
24. Software Development Costs	1,656,641
25. Aggregate Write-Ins for Other Equipment	0
26. TOTAL PROPERTY AND EQUIPMENT (Items 19 to 25)	19,601,759
27. TOTAL ASSETS	91,474,470
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR CURRENT ASSETS	
1001. Inventory	1,428,328
1002. Income Taxes	2,439,731
1003.	
1004.	
1098. Summary of remaining write-ins for Item 10 from overflow page	
1099. TOTALS (Items 1001 thru 1004 plus 1098)	3,868,059
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER ASSETS	
1701. Deposit-L/T	375,289
1702. Others	52,673
1703. Deferred Taxes	1,178,153
1704.	
1798. Summary of remaining write-ins for Item 17 from overflow page	
1799. TOTALS (Items 1701 thru 1704 plus 1798)	1,606,115
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER EQUIPMENT	
2501.	
2502.	
2503.	
2504.	
2598. Summary of remaining write-ins for Item 25 from overflow page	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	0

STATEMENT AS OF 3-31-2004 OF 933-0209 UNIVERSAL CARE

REPORT #1 ---- PART B: LIABILITIES AND NET WORTH

1	2	3	4
CURRENT LIABILITIES:	Current Period		
	Contracting	Non-Contracting	Total
1. Trade Accounts Payable	8,574,294	XXX	8,574,294
2. Capitation Payable	4,154,386	XXX	4,154,386
3. Claims Payable (Reported)	10,334,429		10,334,429
4. Incurred But Not Reported Claims	28,932,723		28,932,723
5. POS Claims Payable (Reported)	0		0
6. POS Incurred But Not Reported Claims	232,332		232,332
7. Other Medical Liability	5,417,974		5,417,974
8. Unearned Premiums	6,544,078	XXX	6,544,078
9. Loans and Notes Payable	122,567	XXX	122,567
10. Amounts Due To Affiliates - Current	0	XXX	0
11. Aggregate Write-Ins for Current Liabilities	0	0	0
12. TOTAL CURRENT LIABILITIES (Items 1 to 11)	64,312,783	0	64,312,783
OTHER LIABILITIES:			
13. Loans and Notes Payable (Not Subordinated)	4,330,573	XXX	4,330,573
14. Loans and Notes Payable (Subordinated)	6,394,763	XXX	6,394,763
15. Accrued Subordinated Interest Payable	83,931	XXX	83,931
16. Amounts Due To Affiliates - Long Term	0	XXX	0
17. Aggregate Write-Ins for Other Liabilities	1,362,000	XXX	1,362,000
18. TOTAL OTHER LIABILITIES (Items 13 to 17)	12,171,267	XXX	12,171,267
19. TOTAL LIABILITIES	76,484,050	0	76,484,050
NET WORTH			
20. Common Stock	XXX	XXX	5,126,950
21. Preferred Stock	XXX	XXX	0
22. Paid In Surplus	XXX	XXX	3,139,400
23. Contributed Capital	XXX	XXX	0
24. Retained Earnings (Deficit)/Fund Balance	XXX	XXX	6,724,070
25. Aggregate Write-Ins for Other Net Worth Items	XXX	XXX	0
26. TOTAL NET WORTH (Items 20 to 25)	XXX	XXX	14,990,420
27. TOTAL LIABILITIES AND NET WORTH	XXX	XXX	91,474,470
DETAILS OF WRITE-INS AGGREGATED AT ITEM 11 FOR CURRENT LIABILITIES			
1101.			0
1102.			0
1103.			0
1104.			0
1198. Summary of remaining write-ins for Item 11 from overflow page			0
1199. TOTALS (Items 1101 thru 1104 plus 1198)	0	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 17 FOR OTHER LIABILITIES			
1701. Malpractice Insurance and other liabilities	944,000	XXX	944,000
1702. Workers Compensation-IBNR	418,000	XXX	418,000
1703.		XXX	0
1704.		XXX	0
1798. Summary of remaining write-ins for Item 17 from overflow page		XXX	0
1799. TOTALS (Items 1701 thru 1704 plus 1798)	1,362,000	XXX	1,362,000
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR OTHER NET WORTH ITEMS			
2501.	XXX	XXX	
2502.	XXX	XXX	
2503.	XXX	XXX	
2504.	XXX	XXX	
2598. Summary of remaining write-ins for Item 25 from overflow page	XXX	XXX	
2599. TOTALS (Items 2501 thru 2504 plus 2598)	XXX	XXX	0

STATEMENT AS OF 3-31-2004 OF 933-0209 UNIVERSAL CARE

REPORT #2: REVENUE, EXPENSES AND NET WORTH

	1	2
	Current Period	Year-To-Date
REVENUES:		
1. Premiums (Commercial)	58,665,692	175,093,441
2. Capitation	930,882	2,902,341
3. Co-payments, COB, Subrogation	563,488	1,257,623
4. Title XVIII - Medicare	5,532,795	12,941,946
5. Title XIX - Medicaid	43,848,331	134,653,013
6. Fee-For-Service	651,493	3,306,274
7. Point-Of-Service (POS)	511,406	856,913
8. Interest	152,777	289,094
9. Risk Pool Revenue	0	0
10. Aggregate Write-Ins for Other Revenues	205,771	258,451
11. TOTAL REVENUE (Items 1 to 10)	111,062,635	331,559,096
EXPENSES:		
Medical and Hospital		
12. Inpatient Services - Capitated	4,970,191	14,352,469
13. Inpatient Services - Per Diem	32,739,275	104,509,007
14. Inpatient Services - Fee-For-Service/Case Rate	1,779,231	5,282,341
15. Primary Professional Services - Capitated	62,463,843	119,941,728
16. Primary Professional Services - Non-Capitated	0	0
17. Other Medical Professional Services - Capitated	2,189,760	2,189,760
18. Other Medical Professional Services - Non-Capitated	1,061,005	1,061,005
19. Non-Contracted Emergency Room and Out-of-Area Expense, not including POS	638,517	1,668,642
20. POS Out-Of-Network Expense	288,333	352,293
21. Pharmacy Expense - Capitated	901,020	5,840,701
22. Pharmacy Expense - Fee-for-Service	11,362,125	29,822,203
23. Aggregate Write-Ins for Other Medical and Hospital Expenses	-25,227,902	0
24. TOTAL MEDICAL AND HOSPITAL (Items 12 to 23)	93,165,398	285,020,149
Administration		
25. Compensation	5,864,938	17,387,597
26. Interest Expense	110,428	336,477
27. Occupancy, Depreciation and Amortization	6,438,977	14,538,606
28. Management Fees	0	0
29. Marketing	3,312,263	10,439,382
30. Affiliate Administration Services	0	0
31. Aggregate Write-Ins for Other Administration	0	0
32. TOTAL ADMINISTRATION (Items 25 to 31)	15,726,606	42,702,062
33. TOTAL EXPENSES	108,892,004	327,722,211
34. INCOME (LOSS)	2,170,631	3,836,885
35. Extraordinary Item	-242,361	-242,361
36. Provision for Taxes	152,605	152,605
37. NET INCOME (LOSS)	2,260,387	3,926,641
NET WORTH:		
38. Net Worth Beginning of Period	12,852,095	2,984,891
39. Audit Adjustments		
40. Increase (Decrease) in Common Stock		5,100,950
41. Increase (Decrease) in Preferred Stock		
42. Increase (Decrease) in Paid in Surplus	0	3,100,000
43. Increase (Decrease) in Contributed Capital	0	0
44. Increase (Decrease) in Retained Earnings:		
45. Net Income (Loss)	2,260,387	3,926,641
46. Dividends to Stockholders		
47. Aggregate Write-Ins for Changes in Retained Earnings	0	0
48. Aggregate Write-Ins for Changes in Other Net Worth Items	-122,062	-122,062
49. NET WORTH END OF PERIOD (Items 38 to 48)	14,990,420	14,990,420

STATEMENT AS OF 3-31-2004 OF 933-0209 UNIVERSAL CARE

REPORT #2: REVENUE, EXPENSES AND NET WORTH

1	2	3
	Current Period	Year-to-Date
DETAILS OF WRITE-INS AGGREGATED AT ITEM 10 FOR OTHER REVENUES		
1001. Other Income	205,771	258,451
1002.		
1003.		
1004.		
1005.		
1006.		
1098. Summary of remaining write-ins for Item 10 from overflow page		
1099. TOTALS (Items 1001 thru 1006 plus 1098)	205,771	258,451
DETAILS OF WRITE-INS AGGREGATED AT ITEM 23 FOR OTHER MEDICAL AND HOSPITAL EXPENSES		
2301. Staff Models Operation Cost (Reclassified to Report #2 Lines 15 and 17)	-25,227,902	0
2302.		
2303.		
2304.		
2305.		
2306.		
2398. Summary of remaining write-ins for Item 23 from overflow page		
2399. TOTALS (Items 2301 thru 2306 plus 2398)	-25,227,902	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 31 FOR OTHER ADMINISTRATIVE EXPENSES		
3101.		
3102.		
3103.		
3104.		
3105.		
3106.		
3198. Summary of remaining write-ins for Item 31 from overflow page		
3199. TOTALS (Items 3101 thru 3106 plus 3198)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 47 FOR CHANGES IN RETAINED EARNINGS		
4701.		
4702.		
4703.		
4704.		
4705.		
4706.		
4798. Summary of remaining write-ins for Item 47 from overflow page		
4799. TOTALS (Items 4701 thru 4706 plus 4798)	0	0
DETAILS OF WRITE-INS AGGREGATED AT ITEM 48 FOR CHANGES OF OTHER NET WORTH ITEMS		
4801. Other Comprehensive Income	-122,062	-122,062
4802.		
4803.		
4804.		
4805.		
4806.		
4898. Summary of remaining write-ins for Item 48 from overflow page		
4899. TOTALS (Items 4801 thru 4806 plus 4898)	-122,062	-122,062

REPORT #3: STATEMENT OF CASH FLOWS

1	2	3
	Current Period	Year-to-Date
CASH FLOW PROVIDED BY OPERATING ACTIVITIES		
1. Group/Individual Premiums/Capitation	60,695,044	184,068,293
2. Fee-For-Service	563,488	1,257,623
3. Title XVIII - Medicare Premiums	5,532,795	12,941,945
4. Title XIX - Medicaid Premiums	43,848,331	134,653,013
5. Investment and Other Revenues	600,910	789,907
6. Co-Payments, COB and Subrogation	651,493	3,306,275
7. Medical and Hospital Expenses	-93,857,175	-286,478,470
8. Administration Expenses	-14,063,241	-43,430,000
9. Federal Income Taxes Paid	-152,605	-152,605
10. Interest Paid	-110,428	-336,477
11. NET CASH PROVIDED BY OPERATING ACTIVITIES	3,708,612	6,619,504
CASH FLOW PROVIDED BY INVESTING ACTIVITIES		
12. Proceeds from Restricted Cash and Other Assets	1,214	1,214
13. Proceeds from Investments	1,411,676	1,411,676
14. Proceeds for Sales of Property, Plant and Equipment	30,000	30,000
15. Payments for Restricted Cash and Other Assets	199	0
16. Payments for Investments	-1,000,000	-1,000,000
17. Payments for Property, Plant and Equipment	-429,318	-1,075,415
18. NET CASH PROVIDED BY INVESTING ACTIVITIES	13,771	-632,525
CASH FLOW PROVIDED BY FINANCING ACTIVITIES:		
19. Proceeds from Paid in Capital or Issuance of Stock	0	8,200,950
20. Loan Proceeds from Non-Affiliates	0	0
21. Loan Proceeds from Affiliates	0	0
22. Principal Payments on Loans from Non-Affiliates	0	0
23. Principal Payments on Loans from Affiliates	17,764	-42,121
24. Dividends Paid	0	0
25. Aggregate Write-Ins for Cash Provided by Financing Activities	10,105	-3,749,169
26. NET CASH PROVIDED BY FINANCING ACTIVITIES	27,869	4,409,660
27. NET INCREASE (DECREASE) IN CASH (Items 11, 18 & 26)	3,750,252	10,396,639
28. CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE QUARTER	25,076,037	18,429,650
29. CASH AND CASH EQUIVALENTS AT THE END OF THE QUARTER	28,826,289	28,826,289
RECONCILIATION OF NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
30. Net Income	2,260,387	3,926,641
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
31. Depreciation and Amortization	283,242	1,337,152
32. Decrease (Increase) in Receivables	2,863,101	2,462,615
33. Decrease (Increase) in Prepaid Expenses	88,171	-86,930
34. Decrease (Increase) in Affiliate Receivables	0	-32,611
35. Increase (Decrease) in Accounts Payable	1,062,401	-2,282,024
36. Increase (Decrease) in Claims Payable and Shared Risk Pool	-335,197	-1,674,109
37. Increase (Decrease) in Unearned Premium	-2,276,039	2,752,981
38. Aggregate Write-Ins for Adjustments to Net Income	-237,454	215,789
39. TOTAL ADJUSTMENTS (Items 31 through 38)	1,448,225	2,692,863
40. NET CASH PROVIDED BY OPERATING ACTIVITIES (Item 30 adjusted by Item 39 must agree to Item 11)	3,708,612	6,619,504
DETAILS OF WRITE-INS AGGREGATED AT ITEM 25 FOR CASH FLOW PROVIDED BY FINANCING ACTIVITIES		
2501. Portion of Capital contribution represented by note receivable	10,105	-3,749,169
2502.		
2503.		
2598. Summary of remaining write-ins for Item 25 from overflow page		
2599. TOTALS (Items 2501 thru 2503 plus 2598)	10,105	-3,749,169
DETAILS OF WRITE-INS AGGREGATED AT ITEM 38 FOR ADJUSTMENTS TO NET INCOME		
3801. Change in Deposit-L/T and Deferred Taxes	-55,726	397,517
3802. Loss on the Disposal of Fixed Assets	60,633	60,633
3803. Gain on sale of Securites	-242,361	-242,361
3898. Summary of remaining write-ins for Item 38 from overflow page		
3899. TOTALS (Items 3801 thru 3803 plus 3898)	-237,454	215,789

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REPORT #4: ENROLLMENT AND UTILIZATION TABLE

TOTAL ENROLLMENT

1 Source of Enrollment	2 Total Enrollees At End of Previous Period	3 Additions During Period	4 Terminations During Period	5 Total Enrollees at End of Period	6 Cumulative Enrollee Months for Period	Total Member Ambulatory Encounters for Period			10 Total Patient Days Incurred	11 Annualized Hospital Days/1000	12 Average Length of Stay
						7 Physicians	8 Non-Physicians	9 Total			
1. Group (Commercial)	100,594		4,013	96,581	904,499	159,396		159,396	13,968	185	3.58
2. Medicare Risk	2,189	906		3,095	20,461	8,446		8,446	2,728	1600	5.47
3. Medi-Cal Risk	164,122		4,193	159,929	1,486,875	300,000		300,000	21,181	171	3.84
4. Individual	0			0	0	0		0			
5. Point of Service	786		33	753	7,332	0		0		0	
6. Aggregate write-ins for Other	224,548	167	5,001	219,714	1,822,395	62,933	0	62,933	1,661	11	
7. Total Membership	492,239	1,073	13,240	480,072	4,241,562	530,775	0	530,775	39,538	112	5.67
DETAILS OF WRITE-INS AGGREGATED AT ITEM 6 FOR OTHER SOURCES OF ENROLLMENT											
601. Small Group	0			0				0			
602. Healthy Families	30,683		457	30,226	271,208	41,500		41,500	745	33	2.97
603. AIM	12			12	108	1		1		0	
604. Medicare Cost	0			0				0			
605. ASO	0			0		N/A	N/A	N/A	N/A	N/A	N/A
606. PPO	0			0				0			
607. Plan to Plan	7,818			7,818	61,900	21,432		21,432	916	178	4.56
608. Dental-Medical	23,171		1,449	21,722	211,864			0		0	
609. Dental-Healthy Families	48,610	167		48,777	428,546			0		0	
610. Dental-Commercial	16,180		3,095	13,085	138,714			0		0	
611. Dental-Plan to Plan	98,074			98,074	710,055			0		0	
612.				0				0			
Summary of remaining write-ins for											
698. Item 6 from overflow page				0				0			
Totals (lines 601 through 612 plus											
699, 698) (Line 6 above)	224,548	167	5,001	219,714	1,822,395	62,933	0	62,933	1,661	11	4.39

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SCHEDULE A-1 (CASH)

1	2	3
Name of Depository (List all accounts even if closed during the period)	Account Number	Balance*
1. Farmers & Merchants-General	01087762	105,739
2. Farmers & Merchants-Claims	01087770	-4,468,176
3. Farmers & Merchants-Payroll	01087789	84,749
4. Farmers & Merchants-Contract Payroll	01098608	-9,415
5. Farmers & Merchants-Repo	56710200,56710201	26,779,391
6. Bank of America-General	1457502777	350,200
7. Farmers & Merchants-Savings	1556965	5,554,197
8. Smith Barney Citigroup-Money Market	561-22898-1-8-222	412,942
9. Total Cash on Deposit		28,809,627
10. Cash on Hand (Petty Cash)		16,661
11. Total Cash on Hand and on Deposit (Report #1, Part A, Line 1)		28,826,288

SCHEDULE A-2 RESTRICTED ASSETS

1	2	3
Name of Depository (List all accounts even if closed during period)	Account Number	Balance*
12. Farmers & Merchants	56-164800	507,368
13.		
14.		
15.		
16.		
17.		
18.		
19. Total Restricted Assets		507,368

* Indicate the Balance Per the HMO's Records

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STATEMENT AS OF 3-31-2004 OF 933-0209 UNIVERSAL CARE

SCHEDULE C - PREMIUMS RECEIVABLE (Other than Affiliates)

Individually list all debtors (commercial only) with account balances greater than 5% of gross Premiums Receivable. Group the total of all other premiums receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.	Healthy Families CAP-LA	1,090,170				1,090,170
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
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14.						0
15.						0
16.						0
17.						0
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44.						0
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46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed	18,761,166		496,859	522,840	19,780,865
55.	Total	19,851,336	0	496,859	522,840	20,871,035

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STATEMENT AS OF 3-31-2004 OF 933-0209 UNIVERSAL CARE

SCHEDULE D
HEALTH CARE RECEIVABLES &
AMOUNTS DUE FROM PARENT, SUBSIDIARIES, AND AFFILIATES

Individually list all debtors with account balances greater than 10% of gross Receivables. Group the total of all other receivables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed."

	1 Name of Debtor	2 1-30 Days	3 31-60 Days	4 61-90 Days	5 Over 90 Days	6 Total
1.	MedImpact Rebates	1,974,958				1,974,958
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
9.						0
10.						0
11.						0
12.						0
13.						0
14.						0
15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23.						0
24.						0
25.						0
26.						0
27.						0
28.						0
29.						0
30.						0
31.						0
32.						0
33.						0
34.						0
35.						0
36.						0
37.						0
38.						0
39.						0
40.						0
41.						0
42.						0
43.						0
44.						0
45.						0
46.						0
47.						0
48.						0
49.						0
50.						0
51.						0
52.						0
53.						0
54.	Aggregate Accounts Not Individually Listed	3,791,402				3,791,402
55.	Total	5,766,360	0	0	0	5,766,360

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STATEMENT AS OF 3-31-2004 OF 933-0209 UNIVERSAL CARE

SCHEDULE F - ACCOUNTS PAYABLE

Individually list all creditors with account balances greater than 5% of total trade accounts payable. Group the total of all other payables and enter the total on the line titled, "Aggregate Accounts Not Individually Listed - Due." Report accounts payable from the initial date of billing or due date under contract.

1	2	3	4	5	6	7
Name of Debtor	1-30 Days	31-60 Days	61-90 Days	91-120 Days	Over 120 Days	Total
1. MedImpact Rx costs	831,472					831,472
2.						0
3.						0
4.						0
5.						0
6.						0
7.						0
8.						0
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12.						0
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15.						0
16.						0
17.						0
18.						0
19.						0
20.						0
21.						0
22.						0
23. Aggregate Accounts Not Individually Listed - Due	7,742,823					7,742,823
24. Total	8,574,295	0	0	0	0	8,574,295

**

SCHEDULE G - UNPAID CLAIMS ANALYSIS
SECTION I - CLAIMS UNPAID

	1	2	3
Type of Claim	Reported Claims in Process of Adjustment	Estimated Incurred but Unreported	Total - Unpaid Claims (Columns 4+5 of Section II)
1. Inpatient Claims	10,334,429	26,408,434	36,742,863
2. Physician Claims		2,326,339	2,326,339
3. Referral Claims			0
4. Other Medical		430,282	430,282
5. TOTAL	10,334,429	29,165,055	39,499,484

SECTION II - ANALYSIS OF CLAIMS UNPAID - PREVIOUS YEAR (FILE ANNUAL ONLY)

1 Type of Claim	Claims Paid During the Fiscal Year		Unpaid Claims During the Fiscal Year		6 Total Claims (Paid and Unpaid) for the Previous Fiscal Year (2+4)	7 Estimated Liability of Unpaid Claims Prior to the first day of the Prior Year
	2 On Claims Incurred Prior to the first day of the Current Fiscal Year	3 On Claims Incurred During the Fiscal Year	4 On Claims Unpaid Prior to the first day of the Previous Fiscal Year	5 On Claims Incurred During the Year		
6. Inpatient Claims					0	
7. Physician Claims					0	
8. Referral Claims					0	0
9. Other Medical					0	
10. TOTAL	0	0	0	0	0	0

SECTION III - INVENTORY OF CLAIMS TO BE PROCESSED*

	1 Month Ending	2 Beginning Balance Number of Claims in inventory on the 1st of each month	3 Add - Claims Received during the month	4 Deduct - Claims paid during the month	5 Deduct - Claims denied during the month	6 Add/Deduct - Adjustments	7 Ending Balance Number of claims in inventory at the end of the month
11.							
12.	September 30, 2003	58,476	69,171	29,802	27,785		70,060
13.	August 31, 2003	48,960	57,376	24,804	23,056		58,476
14.	July 31, 2003	55,729	57,018	32,204	31,583		48,960
15.	June 30, 2003	62,517	55,906	30,765	31,929		55,729
16.	May 31, 2003	79,564	53,063	37,247	32,863		62,517
17.	April 30, 2003	71,805	64,380	29,231	27,390		79,564
18.	March 31, 2003	68,601	61,316	32,446	25,666		71,805
19.	February 28, 2003	71,808	57,794	32,860	28,141		68,601
20.	January 31, 2003	69,615	57,144	29,966	24,985		71,808
21.	December 31, 2003	62,658	59,322	23,086	29,279		69,615
22.	November 30, 2003	69,983	55,172	28,074	34,423		62,658
23.	October 31, 2002	77,802	61,798	36,793	32,824		69,983

* Describe any significant changes reported on Schedule G, Section III in the Supplemental Schedule (Page 2).

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STATEMENT AS OF 3-31-2004 OF 933-0209 UNIVERSAL CARE

SCHEDULE H - AGING OF ALL CLAIMS

Age all claims on hand at the end of each month. Use the date of receipt to determine the number of days the claims is outstanding. The amount reported in Column 6 should equal the amount Reported on Schedule G, Section III, Column 7.

	1	2	3	4	5	6
1.	Month Ending	1-30 Days	31-60 Days	61-90 Days	Over 90 Days	Total
2.	September 30, 2003	62,376	2,400	640	4,644	70,060
3.	August 31, 2003	47,982	4,013	875	5,606	58,476
4.	July 31, 2003	35,804	5,224	1,921	6,011	48,960
5.	June 30, 2003	40,094	7,213	2,949	5,473	55,729
6.	May 31, 2003	47,382	7,484	2,148	5,503	62,517
7.	April 30, 2003	62,752	9,369	1,638	5,805	79,564
8.	March 31, 2003	60,531	4,403	1,156	5,715	71,805
9.	February 28, 2003	54,287	7,003	1,310	6,001	68,601
10.	January 31, 2003	56,052	8,733	772	6,251	71,808
11.	December 31, 2003	55,509	6,687	1,031	6,388	69,615
12.	November 30, 2003	42,550	4,407	1,567	14,134	62,658
13.	October 31, 2002	37,761	4,080	1,920	26,222	69,983

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STATEMENT AS OF 3-31-2004 OF 933-0209 UNIVERSAL CARE

SCHEDULE I - ANALYSIS OF TOTAL MEDICAL LIABILITY TO ACTUAL CLAIMS PAID

Using the Plan's Lag Tables, complete the following table. Provide claim information the current quarter and the previous seven quarters. An actuarial certification may be submitted in lieu of this schedule.

Reported Accrual				
1	2	3	4	5
Quarter Ending Date	Total Medical Liability*	Amount Paid-To-Date	Difference - Column (2-3)	Outstanding Liability (Based on plan's lag)
1. September 30, 2003	39,499,483	XXX	39,499,483	39,499,483
2. June 30, 2003	39,149,816	26,098,006	13,051,810	10,418,623
3. March 31, 2003	40,306,102	32,433,978	7,872,124	4,112,300
4. December 31, 2002	43,000,000	37,133,115	5,866,885	1,871,874
5. September 30, 2002	30,560,492	34,076,944	-3,516,452	913,431
6. June 30, 2002	37,437,125	41,023,473	-3,586,348	396,673
7. March 31, 2002	38,491,811	41,949,433	-3,457,622	84,533
8. December 31, 2001	38,752,055	40,394,387	-1,642,332	6,559

* Should tie to Report #1, Part B, Columns 1 & 2, Lines 3 through 7.

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NOTES TO FINANCIAL STATEMENTS	
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STATEMENT AS OF 3-31-2004 OF 933-0209 UNIVERSAL CARE

KNOX-KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1300.84.06, 1300.84.2 AND 1374.68

	1	2	3	4	5
A.	Explanation of the method of calculating the provision for incurred and unreported claims:				
1.	The Incurred But Not Paid (IBNP) claims reserve is based on a traditional actuarial completion factor methodology in which historical payment patterns for the most recent tow years are analyzed to develop factors used to estimate ultimate claims payments for a given month based on payments made as of the valuation date. For the most recent incurred months, since early partial payments do not form a reliable base for projecting the ultimate reserve, the incurred costs are prorated from prior months' payment completion and limited until the completion of the incurred months.				
B.	Accounts and Notes Receivable from officers, directors, owners or affiliates, as detailed below:				
	Name of Debtor	Nature of Relationship	Nature of Receivable	Amount	Terms
2.	Howard Davis		Unsecured Affiliate Receivable	32,611	
3.	Howard and Elaine Davis Grandchildren's Trust		Secured Affiliate Receivables	3,200,369	
4.	Riverside 12th Street Investment Group		Secured Affiliate Receivables	548,800	
5.					
6.					
C.	Donated materials or services received by the reporting entity for the period of the financial statements, as detailed below:				
	Donor's Name	Affiliation with Reporting Entity	Valuation Method	Amount	
7.	NONE			0	
8.					
9.					
10.					
11.					
D.	Forgiven debt or obligations, as detailed below:				
	Creditor's Name	Affiliation with Reporting Entity	Summary of How Obligation Arose	Amount	
12.	NONE			0	
13.					
14.					
15.					
E.	Calculation of Tangible Net Equity (TNE) and Required TNE in accordance with Section 1300.76 of the Rules:				
16.	Net Equity			\$ 14,990,420	
17.	Add: Subordinated Debt			\$ 6,478,694	
18.	Less: Receivables from officers, directors, and affiliates			\$ 32,611	
19.	Intangibles			\$ 4,596,493	
20.	Tangible Net Equity (TNE)			\$ 16,840,010	
21.	Required Tangible Net Equity (See Page 22)			\$ 9,647,039	
22.	TNE Excess (Deficiency)			\$ 7,192,971	
F.	Percentage of administrative costs to revenue obtained from subscribers and enrollees:				
23.	Revenue from subscribers and enrollees			\$ 327,705,277	
24.	Administrative Costs			\$ 42,702,062	
25.	Percentage			13	
26.	The amount of health care expenses incurred during the six month period immediately preceding the date of the report which were or will be paid to noncontracting providers or directly reimbursed to subscribers and enrollees:			\$ 1,116,906	
27.	Total costs for health care services for the immediately preceding six months:			\$ 189,234,396	
28.	Percentage			1	

		1
<p>G. If the amount of health care expenses incurred during the six month period immediately preceding the date of the report which <u>were or will be</u> paid to noncontracting providers or directly reimbursed to subscribers and enrollees exceeds 10% of the total costs for health care services for the immediately preceding six months, the following information, determined as of the date of the reports, shall be provided:</p>		
29. Amount of all claims for noncontracting provider services received for reimbursement but not yet processed:	\$	0
30. Amount of all claims for noncontracting provider services denied for reimbursement during the previous 45 days:	\$	0
31. Amount of all claims for noncontracting provider services approved for reimbursement but not yet paid:	\$	0
32. An estimate of the amount of claims for noncontracting provider services incurred, but not reported:	\$	0
33. Compliance with Section 1377(a) as determined in accordance with such section, as follows:		
34. Cash & cash equivalents maintained	\$	0
35. Noncontracting provider claims (aggregate of total of items 29 - 32 above)	\$	0
36. Cash & cash equivalents reported to be maintained (120% x Line 35)	\$	0
37. Deposit required (100% of Line 36)	\$	0
38. Excess (deficient) reserves (Line 34 - Line 37)	\$	0
Percentage of premium revenue earned from point-of-service plan contracts:		
39. Premium revenue earned from point-of-service plan contracts	\$	856,913
40. Total premium revenue earned	\$	322,688,400
41. Percentage		0
Percentage of total health care expenditures incurred for enrollees for out-of-network services for point-of-service enrollees:		
42. Health care expenditures for out-of-network services for point-of-service enrollees	\$	352,293
43. Total health care expenditures	\$	285,020,149
44. Percentage		0
45. Point-of-Service Enrollment at end of period		753
Total Ambulatory encounters for period for point-of-service enrollees:		
46. Physician		261
47. Non-Physician		0
48. Total		261
49. Total Patient Days Incurred for Point-of-Service enrollees		33
50. Annualized Hospital Days/1000 for Point-of-Service enrollees		174.00
51. Average Length of Stay for Point of Service enrollees		2.75
52. Compliance with Section 1374.68(a) as follows:		
53. Current Monthly Claims Payable for out-of-network coverage or services provided under Point-of-Service Contracts:	\$	0
54. Current monthly incurred but not reported claims balance for out-of-network coverage or services provided under Point-of-Service contracts	\$	232,332
55. Total	\$	232,332
56. Total times 120%	\$	278,798
57. Deposit (Greater of Line 56 or minimum of \$200,000)	\$	278,798

STATEMENT AS OF 3-31-2004 OF 933-0209 UNIVERSAL CARE

REQUIRED TANGIBLE NET EQUITY (TNE) CALCULATION:

TNE required must be equal to the GREATER of "A" "B" or "C" below (See Rule 1300.76)

		Full Service Plans	Specialized Plans
		1	2
A.	Minimum TNE Requirement	\$ 1,000,000	\$ 50,000
B.	REVENUES:		
1.	2% of the first \$150 million of annualized premium revenues	\$ 3,000,000	\$
	Plus		Plus
2.	1% of annualized premium revenues in excess of \$150 million	\$ 2,887,795	\$
3.	Total	\$ 5,887,795	\$ 0
C.	HEALTHCARE EXPENDITURES:		
4.	8% of the first \$150 million of annualized health care expenditures, except those paid on a capitated or managed hospital basis.	\$ 4,073,225	\$
	Plus		Plus
5.	4% of annualized health care expenditures in excess of \$150 million except those paid on a capitated or managed hospital payment basis.	\$	\$
	Plus		Plus
6.	4% of the annualized hospital expenditures paid on a managed hospital payment basis.	\$ 5,573,814	\$
7.	Total	\$ 9,647,039	\$ 0
8.	Required "TNE" - Greater of "A" "B" or "C"	\$ 9,647,039	\$

**KNOX -KEENE
SUPPLEMENTAL INFORMATION
PURSUANT TO SECTIONS 1374.64**

POINT OF SERVICE TANGIBLE NET EQUITY CALCULATION

Calculation of Tangible Net Equity and required Tangible Net Equity in accordance with Section 1374.64:

		1
1. Net Equity	\$	14,990,420
2. Add: Subordinated Debt	\$	6,478,694
3. Less: Receivables from officers, directors, and affiliates	\$	32,611
4. Intangibles	\$	4,596,493
5. Tangible Net Equity (TNE)	\$	16,840,010
6. Required Tangible Net Equity (From Line 10 or 13 below)	\$	9,656,433
7. TNE Excess (Deficiency)	\$	7,183,577
ADJUSTED MINIMUM TANGIBLE NET EQUITY CALCULATION (Complete Section I or II):		
I. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(1) or (2):		
8. Minimum TNE as calculated under Rule 1300.76 (a)(1) or (2)	\$	
9. 10% of annualized health care expenditures for out-of-network service for point-of-service enrollees	\$	
10. Add lines 8 and 9	\$	0
II. Plan is required to have and maintain TNE as required by Rule 1300.76 (a)(3):		
<u>PART A</u>		
11. Minimum TNE as recalculated to exclude annualized healthcare expenditures for out-of-network services for point-of-service enrollees (attach worksheet Page 24)	\$	9,609,461
12. 10% of annualized health care expenditures for out-of-network services for point-of-service enrollees	\$	46,972
13. Add lines 11 and 12	\$	9,656,433
III. MINIMUM TNE REQUIREMENT TO DETERMINE MONTHLY REPORTING		
14. Line 5 (above)	\$	16,840,010
15. Multiply Line 6 (above) by 130%	\$	12,553,363
16. Difference (Line 14 - Line 15)	\$	4,286,647
If Line 14 is less than Line 15, then monthly reporting is required		

STATEMENT AS OF 3-31-2004 OF 933-0209 UNIVERSAL CARE

WORKSHEET FOR ADJUSTED TANGIBLE NET EQUITY CALCULATION

	1 Full Service Plans	2 Specialized Plans
1. Health care expenditures for period	\$ 285,020,149	\$
Less:		
2. Capitated or managed hospital payment basis expenditures	246,833,665	
3. Health care expenditures for out-of-network services for point-of-service enrollees	352,293	
4. Result	37,834,191	0
5. Annualized	50,445,588	
6. Reduce to maximum of \$150 million	50,445,588	
7. Multiply by 8%	\$ 4,035,647	\$ 0
Plus		
8. Annualized health care expenditures except those paid on a capitated or managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ 50,445,588	\$
9. Less \$150 million	0	
10. Multiply by 4%	\$ 0	\$ 0
Plus		
11. Annualized hospital expenditures paid on a managed hospital payment basis and excluding health care expenditures for out-of-network services for point-of-service enrollees	\$ 139,345,343	\$
12. Multiply by 4%	\$ 5,573,814	\$ 0
13. Total	\$ 9,609,461	\$ 0

STATEMENT AS OF 3-31-2004 OF 933-0209 UNIVERSAL CARE

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